

UTAH APPRAISER LICENSING AND CERTIFICATION BOARD

Heber M. Wells Building

Room 210

9:00 a.m.

October 28, 2015

Telephone Meeting

MINUTES

DIVISION STAFF PRESENT:

Jonathan Stewart, Division Director

Mark Fagergren, Education and Licensing Director

Jeffery Nielsen, Chief Investigator

Justin Barney, Hearing Officer

Amber Nielsen, Acting Board Secretary

Elizabeth Harris, Assistant Attorney General

Kendelle Christiansen, Appraisal Licensing and Education

Craig Livingston, Investigator

Jim Bolton, Investigator

BOARD MEMBERS PRESENT:

John E. Ulibarri, Chair

Kristin Coleman-Nicholl, Vice Chair

Daniel Brammer, Board Member

Paul W. Throndsen, Board Member

Jim Bringhurst, Board Member

The October 28, 2015 meeting of the Appraiser Licensing and Certification Board began at 9:03 a.m. with Chair Ulibarri conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes – A correction was made regarding the last name of an individual in the minutes. A motion was made and seconded to approve the minute from the September 23, 2015 meeting as corrected. Vote: Chair Ulibarri, yes; Vice Chair Coleman-Nicholl, yes; Board Member Brammer, yes; Board Member Throndsen, yes; Board Member Bringhurst, yes. The motion carries.

Public Comment Period – No public attended the meeting today.

DIVISION REPORT

DIRECTOR'S REPORT – Jonathan Stewart

Director Stewart reported the language on the legislative changes first draft has not yet been finalized. Director Stewart will send an email with that language to the Board before the next meeting.

Director Stewart reported on the AARO meeting he attended with Jeffery Nielsen. The first day they held an AQB Public Meeting with a Public Hearing about Alternative Experience. A few months ago, the AQB drafted a white paper asking for industry comments regarding alternative experience and received over 100 written comments. At this meeting fifteen people testified, including appraisers, educators, regulators, and representatives of Appraisal Management Companies. The individuals shared their thoughts on how the AQB could change how someone becomes an appraiser with regards to experience.

Director Stewart briefly went through some of the points presented at the hearing. Dennis Badger said there should be alternate ways but it should be limited and that parallel professions should count. William Fall said the hours required for certification are double the hours for a graduate degree program, approval for licensure by taking education with a proficiency test, and changing the number of inspections from 100 to 25 within 60 days with a supervisor. A lot of people talked about changing to being competency based instead of hours based, but there weren't a lot of recommendations on how to test for competency. Someone brought up this applied more to residential than it did to commercial. It was mentioned that practicum courses seemed to be a good idea but the lack of them seemed to be a problem. The amount of experience given for parallel professions should vary by the profession. Some folks said 3,000 hours seems excessive. There doesn't seem to be a shortage of commercial appraisers, there is a shortage of competent, capable appraisers. Sherry Bren, a regulator from South Dakota, said the current path is not working and South Dakota would be okay with accepting parallel profession and practicum courses; and she believes they should reduce the time limit as well. Larry Disney said alternative experience was vital, parallel professions should count, and he thinks they should cease having experience hours and instead have a minimum number of appraisals that have to be completed. He also wants to explore new options for hours and timeframes. Someone spoke saying to not get rid of the college education requirement. Someone said the timeframe should be shortened, saying the 2,000 hours could be completed in a year and a half if working a 40 hour week. The requirement currently says no fewer than 2 years. Someone recommended changing the supervisor-trainee model and then have the states set up a supervisory program. Someone said that online classes do work for this generation, what doesn't work is when someone goes to a class and they are told stories that they don't understand and given a list of appropriate adjustment amounts. Someone brought up the issue of how to attract college graduates to the appraisal profession. John Ross said for agricultural appraising practicum courses do not work and in his state there is not enough experience to reach the requirements. Joan Trice spoke and said there was not a shortage of appraiser, only a shortage of appraiser willing to accept a low fee. Someone spoke and said they tried to create a practicum course but it was expensive and didn't make sense because it would only get someone 50 of the 2,000 or 3,000 hours. For a practicum course to work, it should at least get you 250 hours. Someone said they believe one hundred percent of the experience could come from mass appraisal experience. Someone from Lehi University said the cost of a Lehi Education is approaching \$250,000, it doesn't go over well when a graduate tells their parents for the next two to three years they will be a trainee with an uncertain income.

Director Stewart expects in the coming months the AQB will produce a recommendation which he will share with the Board once it is released.

Director Stewart reported the AQB is considering creating a model for their own practicum course. He also reported it was mentioned that Standard 6 has not had a thorough review for over 10 years and they are planning on reviewing this standard to make sure it still reflects how mass appraisers do things.

Director Stewart reported there was a regulator roundtable. They discussed licensing individuals from foreign countries. They also discussed experience reviews. One state has a 500 hour experience review that is optional for trainees. This would allow appraisers to receive corrections early on in their experience. The Board thinks this would be helpful and is a good idea. Mr. Fagergren stated that Utah is the only state that requires a trainee to become a licensed appraiser, as opposed to a certified residential appraiser or certified general appraiser. The Board asked what would be required to make this voluntary experience review possible. The Division will research what steps would need to be taken and get back to the Board.

Director Stewart reported at the conference someone presented the results of an appraiser trainee survey. The survey was sent to 1,891 individuals with a 13% response rate. The average age was 40.7 years old. Individuals over 41 years old were 47%, over 61 years old were 10%, and 18-24 years old was only 8%. 2% graduated from high school only, 11% had some college, 8% had an associate's degree, 63% had a bachelor's degree, and 17% had an advanced degree. 63% were male, 37% were female. 7% were not actually working as a trainee, 9% had completed the trainee process but were waiting to become licensed or certified, 10% were still seeking a supervisor, 74% were currently training. 2% didn't know how long it took them to find a supervisor, 4% took twelve months or more to find a supervisor. 58% of those without a supervisor have been looking for a supervisor for over twelve months. 54% were satisfied with their appraisal training. Average earnings were \$2,500 per month. 21% were earning over \$4,000 per month, and 17% were earning \$3,000-\$4,000 per month. 80% were very or somewhat satisfied with their decision to become an appraiser. 29% were very likely to recommend this profession to others, 39% somewhat likely to recommend it. 74% find the idea of a practicum course appealing. If a practicum course cost \$500, 5% were very likely to take it, 45% probably would take it. If it cost \$1,000, 2% were very likely to take it, 23% probably would take it. If it cost \$2,000, 2% were very likely to take it, 10% probably would take it.

Director Stewart reported the Appraisal Subcommittee is going to implement a unique ID program which will eliminate the transmission of personal identifying information. This will integrate all appraiser data. This will convert personal identifying information into a unique 44 character alpha-numeric code. This will only convert information in the national registry. The states will do the data file conversion. By searching with this ID number, states will be able to see every license in all jurisdictions. They plan on full implementation of this by then end of 2016. If states don't comply, they will issue a rule which will mandate compliance.

Director Stewart reported they added two more real estate degree approved programs: Colorado State University's Bachelor's Degree Program and University of Florida's Master of Science in Real Estate program.

Board Member Coleman had a question regarding parallel professions.

ENFORCEMENT REPORT – Jeffery Nielsen

Mr. Nielsen reported in September the Division received 5 complaints; opened 2 new cases; close 3 case; leaving 38 appraisal cases open with the Division. There are a total of 18 cases are now with the AG's office.

Mr. Nielsen announced Theron Case has accepted a position elsewhere and has left the Division as an investigator. The job posting was opened last night. Mr. Nielsen hopes to generate a lot of interest in this position.

Mr. Nielsen reported that he is seeing many appraisers being more a form-filler than understanding the methodology behind what they are doing. There seems to be a lack of understanding appraisal theory. Mr. Nielsen reported at AARO a lot of state regulators were saying it doesn't make sense from an education standpoint to go to college and get a college degree, and then turn around and become a trainee and start a career after getting a bachelor's degree. Mr. Nielsen says the general feeling is there seems to be a shortage of competent appraisers.

There are no stipulations for review this month.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren reported the statistics shows we dropped 2.5% the appraisers in the 11 month period from October 2014 to September 2015.

Mr. Fagergren thanked Board Members Throndsen and Brammer for their support of the IDW.

Mr. Fagergren submitted the following lists to the Board for their review:

Certified and Licensed Appraiser Applicants Approved by both Education and Experience Review Committees:

Dayna Jardine, CR Candidate
Quincee M. Pyle, LA Candidate

Disciplinary List

John Todd Crabtree, Certified Residential Appraiser Renewal

Mr. Fagergren also presented for approval recommendations of Robert Davis and William Kowalowski as new review committee members.

Mr. Fagergren spoke on practicum courses. He believes the problem is credit is offered on a 1 to 1 basis. He believes if the courses were in depth and taught by experts in all various aspects of appraisal that is could be worth 10 times the experience of standard experience.

COMMISSION AND INDUSTRY ISSUES

Rule Updates – Justin Barney

Mr. Barney reported no public comment was received and per the last meeting's motion the rule was made effective on October 8, 2015. Mr. Barney reviewed the rules which were changed.

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Vice Chair Coleman-Nicholl, yes; Board Member Brammer, yes; Board Member Throndsen, yes; Board Member Bringhurst, yes. The motion passes.

CLOSED TO PUBLIC

An Executive Session was held from approximately 9:49 a.m. to 10:05 a.m.

OPEN TO PUBLIC

RESULTS OF DELIBERATIONS

Certified and Licensed Appraiser Applicants Approved by both Education and Experience Review Committees:

Dayna Jardine, CR Candidate – Approved

Quincee M. Pyle, LA Candidate – Approved

Disciplinary List

John Todd Crabtree, Certified Residential Appraiser Renewal – Approved

Robert Davis and William Kowalowski were both approved as new review committee members.

A motion was made to adjourn the meeting. Vote: Vice Chair Coleman-Nicholl, yes; Board Member Brammer, yes; Board Member Throndsen, yes; Board Member Bringhurst, yes. The motion passes. The meeting adjourned at approximately 10:07 a.m.